May 23, 2008

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

ORIGINAL

Re: Mohawk Utility Company – Application to extend a certificate of convenience and necessity. Docket No. W-02341A-06-0040
Conditional Approval to Construct

This information is provided to describe the infrastructure configuration, water use, and cost estimated with the expansion area requested. The single land owner encompassed by the expansion request is 38East, LLC. No other land owners are involved. This developer is proposing residential only development. The following documents are enclosed:

1. Current water service area map prepared to indicate the area covered by Mohawk Utility (applicant) and Tacna Water Company.
2. A topographic map of the area indicating gradients.
3. A developers rendering of a proposed project. The developers intentions are to obtain an agreement with a builder for a two phase project. The rendering shows a potential New water plant within the expansion property. This option is not evaluated in the costs provided, but is expected to be a significant financial savings and serious increase in efficiency, if pursued. Almost one mile of ductile iron pipe would not be needed and system pressure would be significantly enhanced.
4. Cost estimate letter from CMX engineering, dated January 2007, based on extending current water plant lines to new project.
5. Summary of water demand for proposed project.
6. Details of water demand calculations voluntarily using ADWR generic demand calculator. Certificate of assured water supply is not applicable under the Welton-Mohawk Irrigation District (WMID) service area. Previous submittals by applicant provided confirmation of supply and source.

The request for a conditional approval of the CC&N would require the developer and applicant to evaluate the option of re-locating the current water plant to within the Mohawk service area, land to place the plant on, verification for a substitute draw point from WMID, and cost financing provision. The conditional approval requirement of a 24 month window for the developer and Applicant to provide ACC with detailed documentation of the Plant re-location option.

Submitted by:
Robert C. Rockwell
Robert Chris Rockwell
Mohawk Utility (Applicant)
CC; 13 copies Arizona Corporation Commission
Mohawk Utility

Arizona Corporation Commission
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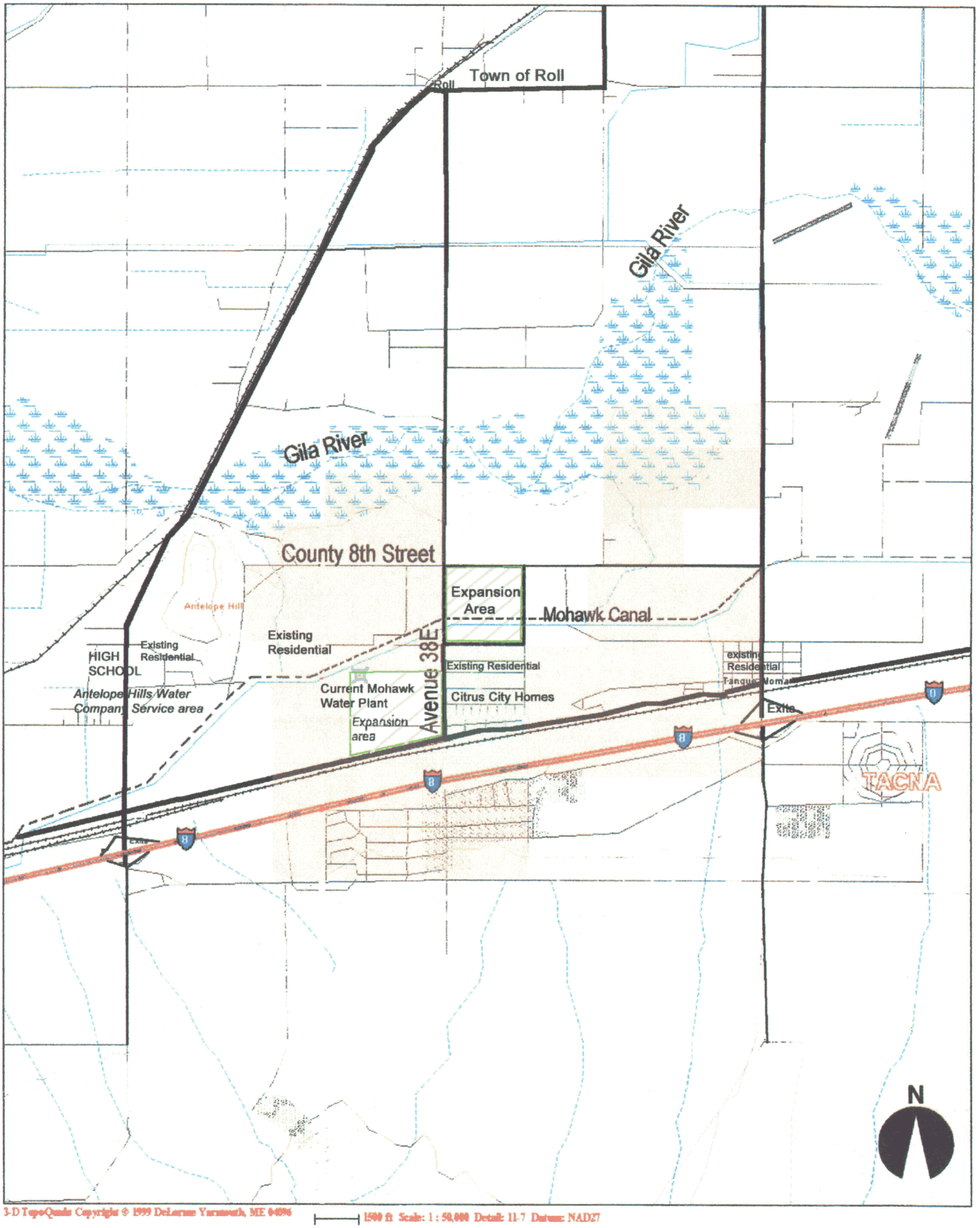
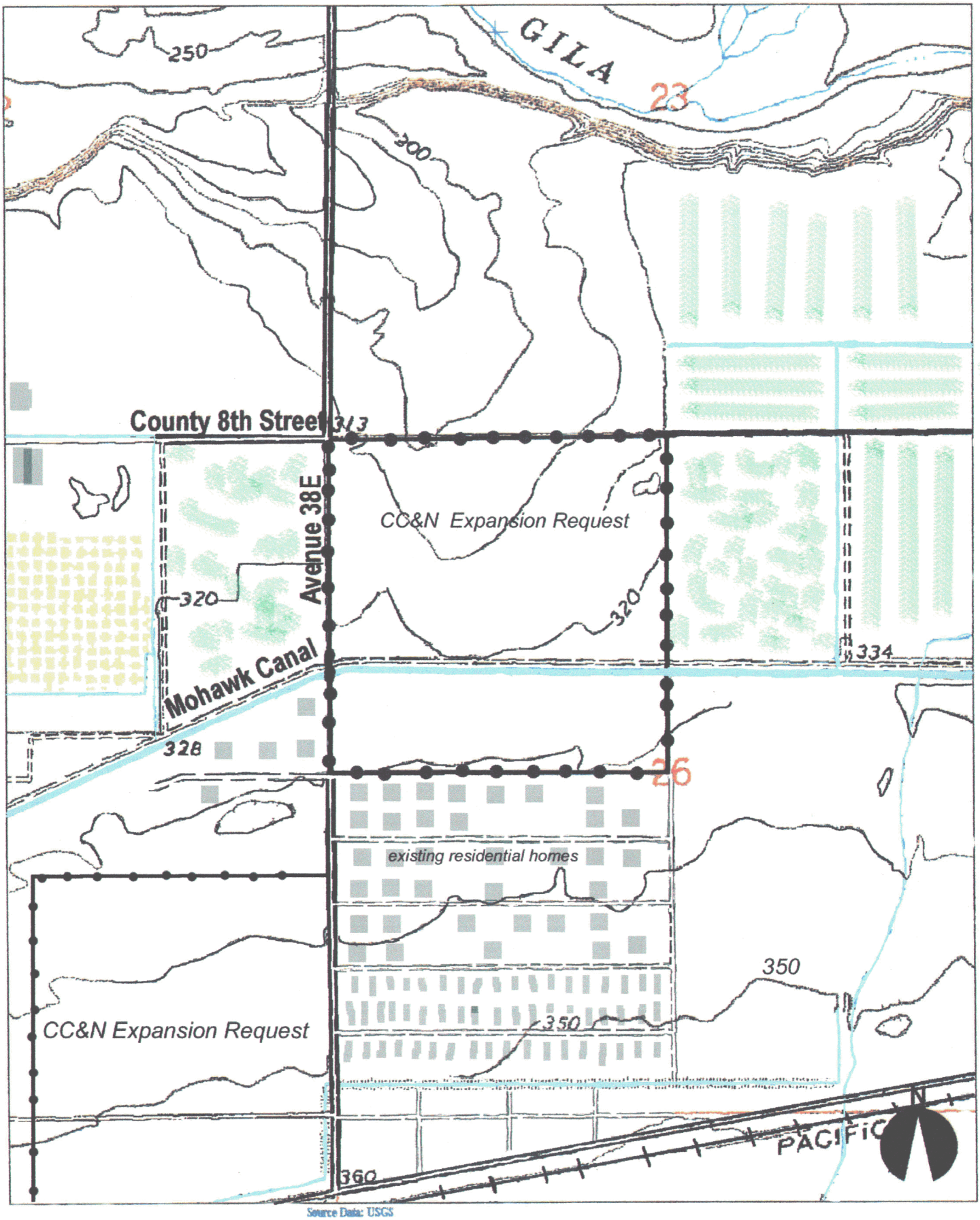


Water Service Area Map

Southeast Corner Avenue 38E and County 8th Street
Yuma County, Arizona

Tacna Water Company Service Area

Mohawk Utility Service Area

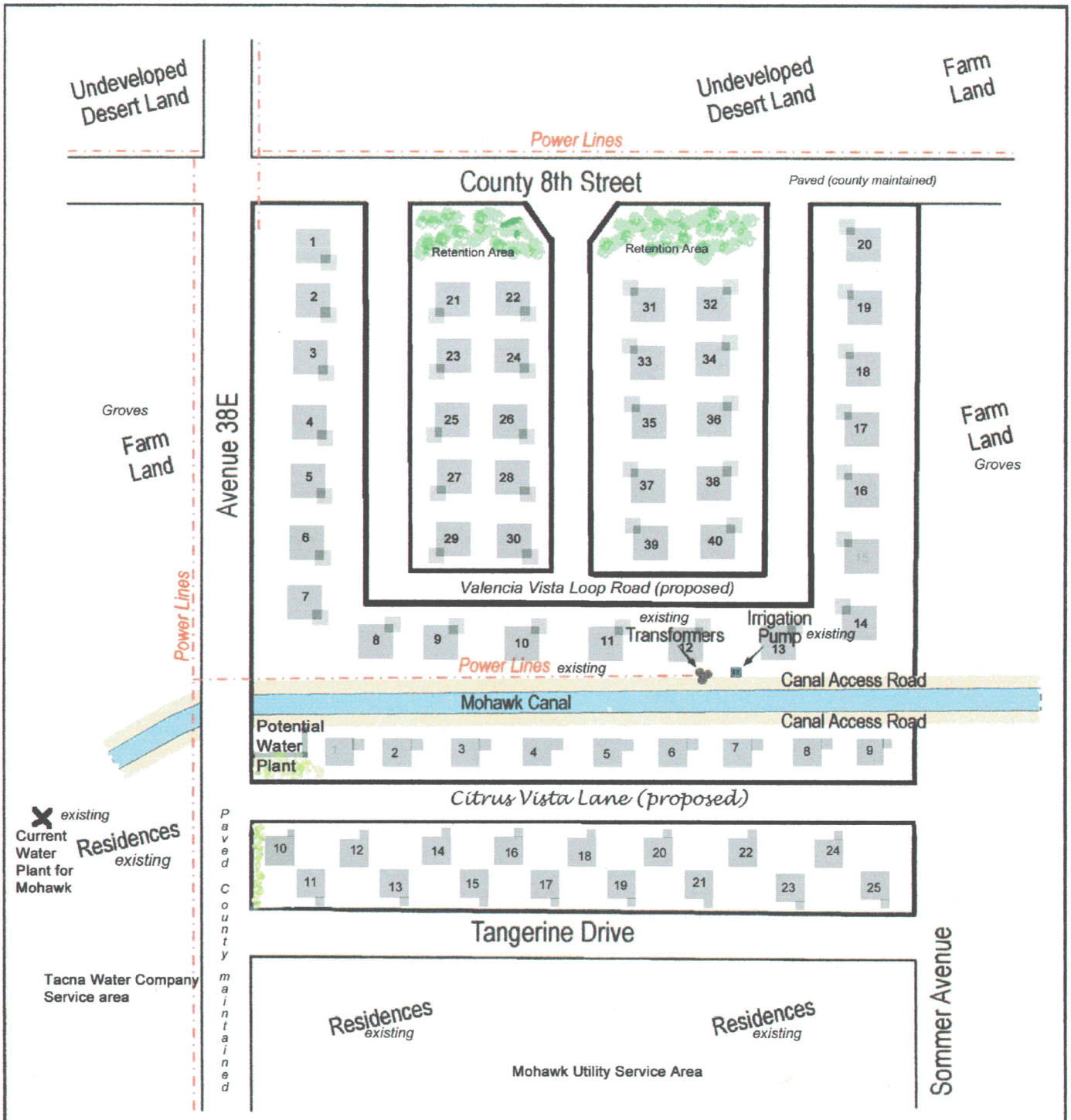


Source Data: USGS

TOPOGRAPHIC MAP
Southeast Corner Avenue 38E and County 8th Street
Yuma County, Arizona

Agricultural

Homes



Citrus Vista - Phase I - 25 homes (3/4 acre lots)
Valencia Vista Estates -Phase II - 40 Homes (2+ acre lots)

Citrus City Vistas *(Proposed Only)*

This is NOT an offer to sell or solitict for sale.

Southeast Corner Avenue 38E and County 8th Street
Yuma County, Arizona

Not to scale

38 East, LLC
Jeffrey Jennings,
Managing Member

January 31, 2007

Mr. Jeffrey Jennings
38 East, LLC
4371 East Colter
Phoenix, AZ 85018

Re: NW ¼ section 26, Township 8 – Yuma County
Cost estimate – Water infrastructure expansion

Dear Jeff,

As a result of our review of materials, information and discussions, following is our estimate of the cost of providing expanded off-site infrastructure from the Mohawk Utility system to your site. Although I have visited the property, please keep in mind that Phil Berger (Cost Estimator and Project Manager from Wheeler Construction) has not seen the property. These numbers are preliminary estimates. As you may proceed closer to being able to develop the property, we would recommend a value engineering comparison analysis to determine whether the most economical course would be to retrofit the current Mohawk system, or install a separate canal draw system closer to your site. There may be financial savings plus enhanced water quality and system pressure by placing a draw system closer to your site and serving the residents to the south that are already in the Mohawk Utility service area.

The preliminary cost estimate to modify the current Mohawk Utility system to deliver water pressure sufficient to service the proposed new development and to bolster delivery pressure and quality to current water customers located south of your site is $412,200.

Attached is a breakdown of the pricing as exhibit 1.

This estimate does not include distribution of the water to any individual home sites within the proposed new development. Typically, that costs is paid by the builder as part of the project infrastructure for roads, sewers, and other utilities to each lot.

Sincerely,

Mr. Don Dillon
CMX Group

EXHIBIT ONE
Estimate of water infrastructure retrofit

Delivery Site: NW quarter of section 26, township 8, Yuma County. Point of entry for service to be southwest corner of Tangerine Road and Avenue 38 East.

Current Treatment Plant Site: Approximately 1/4 mile south then ¾ mile west of delivery site. Current plant is on one acre with underground draw system from Mohawk Valley Irrigation canal. **It should be noted that the canal system continues east, through the delivery site and a draw system from the canal at the delivery site should be considered.

Cost components, including installation:

Line replacement, to include 6" ductile Iron Pipe (DIP) at $33 per linear foot **Estimated distance of 5,200 linear feet Installed along current right of way	$171,600**
6" valves (4 at $1,000 each)	$ 4,000
2" air releases (1 at $1,600 each)	$ 1,600
Water plant, to include: Pressure Pump Hydrostatic Tank Sand Filter Expansion Chemical System Expansion New storage tank Electrical Controls	$200,000
Engineering Costs:	$ 25,000
Survey Costs:	$ 5,000
Permits, miscellaneous Costs:	$ 5,000
TOTAL COST ESTIMATE	$412,200

Mohawk Utility for 38 East, LLC
Summary of Water Demand for expanded area – Valencia Estates Project

The total net land area is approximately 134 acres. The parcel is split from the southwest to northeast by the easement for the Mohawk Irrigation District Canal. The canal provides the source for the domestic untreated water being used by Mohawk Utility to serve their customer base. The property is immediately contiguous with the current service area of Mohawk Utility. The Developer of the expansion area property will be responsible to add a new Water treatment plant to serve the development and infrastructure to the individual homes. Mohawk shall provide on-going monitoring and servicing of the new system.

The land will be used for residential housing. No commercial uses or public uses are intended at this time. The split of the property created by the Canal suggests two phases of development:

Phase I: Approximately 34 net acres on the south side of the canal to accommodate 25 traditional home-sites with an average lot size of three fourths (3/4) acre each.
Demand Calculation:
Estimated people per housing unit : 2.86
Estimated gallons per house per day: 57
Estimated number of houses: 25

Residential Demand in acre feet per year:	4.57
Single family landscape (178 gphpd) use in acre ft/yr:	4.98
Estimated additional landscape use for oversized lots:	
½ low water use estimated at 1.5 acre feet per year/house	9.76
½ turf use estimated at 4.90 acre feet per year/ house	31.88
Additional non-residential:	
Estimated public park of two land acres (low water use)	3.00
Retention Basins landscape 1.75 acres (low water use)	2.63
Distribution loss estimate:	5.68
Phase I Total Build Out Demand:	***62.50 Acre Ft/Yr***

Phase II: Approximately 100 net acres on the north side of the canal to accommodate 40 natural desert home-sites with an average lot size of two and one-half (2 1/2) acres each.
Demand Calculation:
Estimated people per housing unit : 2.86
Estimated gallons per house per day: 57
Estimated number of houses: 40

Residential Demand in acre feet per year:	7.30
Single family landscape (178 gphpd) use in acre ft/yr:	7.98
Estimated additional landscape use for oversized lots:	
Desert lots (restricted to less than 8% turf & low water use)	9.18
Additional non-residential:	
Retention Basins landscape 5 acres (low water use)	7.50

Distribution loss estimate:	3.50
Phase II Total Build Out Demand:	***35.48 Acre Ft/Yr***

Summary:

Phase I (25 homes on ¾ acre lots, traditional landscape usage)

Estimated acre feet per year used:	62.50

Phase II (40 homes on 2 ½ acre natural desert lots)

Estimated acre feet per year used:	35.48
Annual water usage (acre feet per year)	**97.98**

Estimate segments extracted using OAWS generic demand calculator for assured water supply standards.

January 18, 2007

CERTIFICATE OF ASSURED WATER SUPPLY GENERIC DEMAND CALCULATOR

PHASE ONE

INSTRUCTIONS: This spreadsheet is designed to help you calculate the water demand for your new subdivision for purposes of applying for a Certificate of Assured Water Supply. Please fill out all blue boxes. If you need help, contact the Office of Assured and Adequate Water Supply at (602) 417-2465.

NOTE: This sheet, when completed, does not constitute approval of the demand estimate for your subdivision. It is intended for general estimation purposes only. Final official demand estimates will be determined by the Department upon review of your complete application.

Enter the AMA the subdivision is located in*: PHX

* Enter PHX for Phoenix, TUC for Tucson, PIN for Pinal, PRE for Prescott or SCR for Santa Cruz. If you are not located within an AMA, or are not sure which AMA you are located in, contact the Office of Assured and Adequate Water Supply at (602) 417-2465.

Residential Usage*

Category	PPHU	GPCD or per house/day	Demand/HU/YR (af/yr)	No. HU (Lots)	Residential Demand/Yr (af/yr)
Single Family (int)	2.86	57.00	0.18	25.00	4.57
Multi-Family (int)		57.00	0.00		0.00
Single Family Landscape (ext)	1.00	178.00	0.20	25.00	4.98
Multi-Family Landscape (ext)	1.00	77.00	0.09	0.00	0.00
Single family Demand/HU/YR			2.05		
Multifamily Demand/HU/YR			0.09		

*NOTE: If the application is in the Pinal AMA, and lot sizes are no greater than 10,000 sq. ft., 125 GPCD is used to estimate both interior and exterior demand for single family homes. Do not enter lot numbers under the Landscape rows. Contact the Office of Assured and Adequate Water Supply for more information.

	Square Feet	Acres	Demand Factor (af/yr)	No. HU (Lots)	Large Lot Adjustment Demand/Yr (af/yr)
Average Lot Size (sq. ft)**	32670.00	0.75			
TMP Model Lot Size (sq. ft)	7,500 - 10,000	0.17 - 0.23			
Large Lot Adjustment	22670.00	0.52			
1/2 low water use	11335.00	0.26	1.50	25.00	9.76
1/2 turf	11335.00	0.26	4.90	25.00	31.88

**NOTE: If the subdivision contains several groupings of lot sizes, the large lot adjustment needs to be calculated for each grouping of large lot sizes. Contact the Office of Assured and Adequate Water Supply for assistance in calculating the large lot adjustment for subdivisions with several groupings of large lot sizes.

Total Residential Demand **51.18**

Non-Residential Usage***

For each category please enter either square feet or acres of land for that type of non-residential use within your subdivision.

Category	Square Feet	Acres	Demand Factor (af/ac)		Non-Residential Demand (af/yr)
Common Area1		0.00	1.50	low water use	0.00
Common Area2		0.00	4.90	turf	0.00
Right of Way		0.00	1.50	low water use	0.00
Golf Course		0.00	AMA Turf Program - contact AMA		0.00
Commercial use		0.00	2.25	all acres	0.00
Public Pool (length x width = square feet)		0.00	AMA TMP model	pool	0.00
Parks1	87120.00	2.00	1.50	low water use	3.00
Parks2		0.00	4.90	turf	0.00
Retention/Detention Basins	76230.00	1.75	1.50	low water use	2.63
Retention/Detention Basins		0.00	4.90	turf	0.00
School Landscape1		0.00	1.50	low water use	0.00
School Landscape2		0.00	4.90	turf	0.00
School interior****		0.00	25 GPCD	interior demand	0.00

***NOTE: If application is for a change of ownership from a previously issued Certificate of Assured Water Supply, and is for only a portion of the original Certificate, contact the Office of Assured and Adequate Water Supply to pro-rate non-residential area acreage.

****NOTE: For school interior demand, enter the number of students. If the proposed school is a high school or middle school, the demand factor is 43 GPCD.

Total Non-Residential Demand **5.63**

Distribution Losses

	Residential	Non-Residential	Total	Loss Factor %	Distribution Losses (af/yr)
Demand af/yr	51.18	5.63	56.81	10.00	5.68

Construction

	No. of Lots	Demand (gals/lot)	100 yr demand (af)		Construction Demand (af/yr)
Total Demand Per Year	25.00	10000.00	1.27		0.01

Residential Usage af/yr	Non-Residential Usage	Lost & Unaccounted for	Construction	Total Non-Res	Total Demand Per Year (af/yr)
51.18	5.63	5.68	0.01	11.32	62.50

Residential Usage GPCD	Total Demand GPCD
639	780

Annual Build Out Demand
62.50

January 18, 2007

CERTIFICATE OF ASSURED WATER SUPPLY GENERIC DEMAND CALCULATOR

PHASE TWO

INSTRUCTIONS: This spreadsheet is designed to help you calculate the water demand for your new subdivision for purposes of applying for a Certificate of Assured Water Supply. Please fill out all blue boxes. If you need help, contact the Office of Assured and Adequate Water Supply at (602) 417-2465.

NOTE: This sheet, when completed, does not constitute approval of the demand estimate for your subdivision. It is intended for general estimation purposes only. Final official demand estimates will be determined by the Department upon review of your complete application.

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Residential Usage*

Category	PPHU	GPCD or per house/day	Demand/HU/YR (af/yr)	No. HU (Lots)	Residential Demand/Yr (af/yr)
Single Family (int)	2.86	57.00	0.18	40.00	7.30
Multi-Family (int)		57.00	0.00		0.00
Single Family Landscape (ext)	1.00	178.00	0.20	40.00	7.98
Multi-Family Landscape (ext)	1.00	77.00	0.09	0.00	0.00
Single family Demand/HU/YR			0.61		
Multifamily Demand/HU/YR			0.09		

*NOTE: If the application is in the Pinal AMA, and lot sizes are no greater than 10,000 sq. ft., 125 GPCD is used to estimate both interior and exterior demand for single family homes. Do not enter lot numbers under the Landscape rows. Contact the Office of Assured and Adequate Water Supply for more information.

	Square Feet	Acres	Demand Factor (af/yr)	No. HU (Lots)	Large Lot Adjustment Demand/Yr (af/yr)
Average Lot Size (sq. ft)**	15000.00	0.34			
TMP Model Lot Size (sq. ft)	7,500 - 10,000	0.17 - 0.23			
Large Lot Adjustment	5000.00	0.11			
1/2 low water use	2500.00	0.06	1.50	25.00	2.15
1/2 turf	2500.00	0.06	4.90	25.00	7.03

**NOTE: If the subdivision contains several groupings of lot sizes, the large lot adjustment needs to be calculated for each grouping of large lot sizes. Contact the Office of Assured and Adequate Water Supply for assistance in calculating the large lot adjustment for subdivisions with several groupings of large lot sizes.

Total Residential Demand 24.46

Non-Residential Usage***

For each category please enter either square feet or acres of land for that type of non-residential use within your subdivision.

Category	Square Feet	Acres	Demand Factor (af/ac)		Non-Residential Demand (af/yr)
Common Area1		0.00	1.50	low water use	0.00
Common Area2		0.00	4.90	turf	0.00
Right of Way		0.00	1.50	low water use	0.00
Golf Course		0.00	AMA Turf Program - contact AMA		0.00
Commercial use		0.00	2.25	all acres	0.00
Public Pool (length x width = square feet)		0.00	AMA TMP model	pool	0.00
Parks1	0.00	0.00	1.50	low water use	0.00
Parks2		0.00	4.90	turf	0.00
Retention/Detention Basins	217800.00	5.00	1.50	low water use	7.50
Retention/Detention Basins		0.00	4.90	turf	0.00
School Landscape1		0.00	1.50	low water use	0.00
School Landscape2		0.00	4.90	turf	0.00
School interior****		0.00	25 GPCD	interior demand	0.00

***NOTE: If application is for a change of ownership from a previously issued Certificate of Assured Water Supply, and is for only a portion of the original Certificate, contact the Office of Assured and Adequate Water Supply to pro-rate non-residential area acreage.

****NOTE: For school interior demand, enter the number of students. If the proposed school is a high school or middle school, the demand factor is 43 GPCD.

Total Non-Residential Demand 7.50

Distribution Losses

	Residential	Non-Residential	Total	Loss Factor %	Distribution Losses (af/yr)
Demand af/yr	24.46	7.50	31.96	10.00	3.20

Construction

No. of Lots	Demand (gals/lot)	100 yr demand (af)		Construction Demand (af/yr)
40.00	10000.00	1.90		0.02

Total Demand Per Year

Residential Usage af/yr	Non-Residential Usage	Lost & Unaccounted for	Construction	Total Non-Res	Total Demand Per Year (af/yr)
24.46	7.50	3.20	0.02	10.72	35.18

Residential Usage GPCD	Total Demand GPCD
191	275

Annual Build Out Demand 35.18